

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
New York District Office
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March 22, 2007

Mr. Lawrence Tomscha, President
AFGE, AFL-CIO
Local 2431
26 Federal Plaza
New York, NY 10278

Re: Case Number: [REDACTED]

Dear Mr. Tomscha:

This office has recently completed an audit of Local 2431 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Civil Service Reform Act of 1978 (CSRA). As discussed during the exit interview with you on March 21, 2007, the following problems were disclosed during the CAP. The matters listed below are not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 of the LMRDA and Title 29 of the Code of Federal Regulations (C.F.R.) Section 403.7 require, among other things, that labor organizations maintain adequate records for at least five years after reports are filed by which the information on the reports can be verified, explained and clarified. Pursuant to 29 C.F.R. Section 458.3, this recordkeeping provision of the LMRDA applies to labor organizations subject to the requirements of the Civil Service Reform Act of 1978 (CSRA) as well. Therefore, as a general rule, labor organization must retain all records used or received in the course of union business.

For disbursements, this includes not only original bills, invoices, receipts, vouchers, and applicable resolutions, but also documentation showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipient(s) of the goods or services. In most instances, this documentation requirement can be satisfied with a sufficiently descriptive expense receipt or invoice. If an expense receipt is not sufficiently descriptive, a union officer or employee should write a note on it providing the additional information. For money it receives, the labor

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organization must keep at least one record showing the date, amount, purpose, and source of that money. The labor organization must also retain bank records for all accounts.


The following record keeping violations were revealed during the audit of Local 2431's 2005 records:

Adequate documentation was not maintained regarding Local 2431's failure to retain complete records of the dues remittances reports forwarded from the AFGE International. OLMS obtained copies of the missing dues remittances reports from the AFGE International. The union has agreed to maintain the AFGE International dues remittances reports for the required five year retention period.

The proper maintenance of union records is the personal responsibility of the individuals who are required to file Local 2431's LM report. You should be aware that Section 206 of the LMRDA provides for a fine of not more than \$10,000 or imprisonment for not more than one year, or both, for willful failure to maintain records. Section 209(c) of the LMRDA provides for a fine of not more than \$10,000 or imprisonment for not more than one year, or both, for willful destruction or falsification of records, and applies to any person (not just the individuals who are responsible for filing the union's LM report).

I want to extend my personal appreciation to Local 2431 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance materials provided to you are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,


Investigator

cc: Martin Prince
Vice President